

Wednesday, May 5, 2010

## Furloughs are not the answer to a tight budget

Montgomery County faces dire budget circumstances. Between this year and next, projected local income tax revenues are down almost \$300 million. It is hard to fathom the impact such a shortfall will have on county services, county residents and county employees. Most of this shortfall is due to a drop in capital gains income tax revenue from the county's wealthiest residents. While our reliance on capital gains taxes has fueled the growth of services in good times, it now means that Montgomery County is suffering a much more severe loss of revenue than other neighboring jurisdictions.

County government and school system employees are shouldering a huge share of the burden. This year, all the county unions sacrificed their negotiated cost-of-living increases (COLAs) — saving the county \$123 million. The county executive's recommended budget for next year saves \$158 million through the elimination of both COLAs and step increases: a combined sacrifice of \$281 million. The county executive's budget also calls for drastic cuts in services. More than 452 county government positions are being abolished, along with an additional 409 being eliminated in the school system. Class sizes will increase, bus routes will be eliminated, parks and recreation and library hours will be cut back, and critical health and human service programs will be reduced.

However, the county executive and some members of the County Council are wrong in proposing that furloughing county employees helps solve the problem. Even though the county executive has not proposed furloughing school system employees, I believe it is important to oppose the furloughing of any county employees.

Furloughs do not lower the county's base budget for the following year. Even if the county does save \$15 million through furloughs, in the following year's budget (fiscal 2012) they will just have a larger hole to climb out of. Most of the county executive's, and the Board of Education's, budget savings result in an ongoing reduction in the operating budget: lowering the base budget for subsequent years. Everyone talks about the need to restructure county government; but furloughs are not restructuring, they are a one-time gimmick. It's like skipping a mortgage payment: it doesn't do anything to lower your monthly payment the following month.

If we are to honestly tackle the county's long-term structural deficit, county agencies and services have to be reorganized. The Board of Education just announced a decision to abolish its Office of Organizational Development, one of the seven major divisions in Montgomery County Public Schools, contributing to a cut of \$6.5 million in central services. Similar reorganization needs to occur on the county side. Why do we have two parks and recreation departments? Why do we have two departments dealing with housing issues? Is it really necessary for every county department to have its own press office? It is wrong to furlough county employees when the county has failed to streamline its operations.

It is also wrong to furlough county employees because of the actions — and inaction — of the County Council. Just last month, on a 5 to 4 vote, the County Council voted to give \$4 million to Costco to open a store in Wheaton. County employees should not be furloughed to pay for a taxpayer subsidy to a profitable corporation.

Last year, also on a 5 to 4 vote, the council rejected the county executive's proposal for an EMS transport fee similar to that in place in 17 of the 23 other counties in Maryland, along with Fairfax

County and the District of Columbia. County employees should not be furloughed — at a cost of \$15 million next year — because of the council's failure to implement an EMS fee that would have generated \$15 million year after year.

Furloughs are inevitably inequitable. You can't furlough school bus drivers and cafeteria workers at all, unless you shorten the school year, because they only work on school days and don't even get any paid vacation days that could be docked. If you furlough hourly workers, at least they work fewer hours. But if you furlough salaried employees they still have the same amount of work to do. And while the county executive says furloughing county employees won't impact their pensions, that's exactly what would happen if you furloughed school and library employees since their pensions are controlled by the state and not the county.

These are indeed difficult times. But the County Council needs to find ways to eliminate duplication of services and reduce the size of the county government in ways that don't create a bigger problem the following year. Furloughs only make the problem worse the year after.

Doug Prouty, Rockville

The writer is president of the Montgomery County Education Association.